

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 12, 2025

NEW ISSUE – SERIAL BONDS

S&P GLOBAL RATINGS: “ ”
See “Bond Rating”, herein

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequence related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “Tax Matters”. The Bonds will be designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

\$3,340,000*

**VILLAGE OF PATCHOGUE
SUFFOLK COUNTY, NEW YORK
(the “Village”)**

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2025

Dated: March 19, 2025

Principal Due: March 15, 2026-2045, inclusive
Interest Due: Semiannually on March 15 and September 15
in each year to maturity, commencing on
September 15, 2025

SEE BOND MATURITY SCHEDULE HEREIN

Security and Sources of Payment: The Bonds are general obligations of the Village of Patchogue, Suffolk County, New York (the “Village”), and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limitation Law”). (See “Tax Levy Limitation Law” herein).

Prior Redemption: The Bonds maturing on March 15, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Village, as a whole or in part, on any date on or after March 15, 2033. (See “Optional Redemption” under “THE BONDS,” herein.)

Form and Denomination: At the option of the purchaser, the Bonds may be issued in registered certificated form in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry bonds. Individual purchases of the Bonds may be made in denominations of \$5,000 or integral multiples thereof. Bondholders will not receive certificates representing their respective interests in the Bonds purchased in book-entry form. See “Book-entry-only System” under “The Bonds,” herein.

Payment: Payment of the principal of and interest on any Bonds issued in book-entry form will be made by the Village to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Village, subject to any statutory and regulatory requirements as may be in effect from time to time. See “Book-entry-only System” under “The Bonds,” herein. Payment of the principal of and interest on any Bonds registered in the name of the Purchaser will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder, at the bidder’s expense.

The Bonds are offered when, as and if issued and received by the Purchaser and subject to the receipt of an approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in Jersey City, New Jersey on or about March 19, 2025 or as otherwise agreed to by the Village and the Purchaser.

THIS OFFICIAL STATEMENT IS IN A FORM “DEEMED FINAL” BY THE VILLAGE FOR THE PURPOSE OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”) EXCEPT FOR CERTAIN INFORMATION THAT WILL BE UPDATED FOLLOWING THE SALE OF THE BONDS. FOR A DESCRIPTION OF THE VILLAGE’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN THE RULE. SEE “DISCLOSURE UNDERTAKING” HEREIN.

*Preliminary, subject to change.

**VILLAGE OF PATCHOGUE
SUFFOLK COUNTY, NEW YORK**

\$3,340,000* PUBLIC IMPROVEMENT (SERIAL) BONDS, 2025

BOND MATURITY SCHEDULE

Dated: March 19, 2025

**Principal Due: March 15, 2026-2045, inclusive
Interest Due: Semiannually on March 15 and September 15
in each year to maturity, commencing on
September 15, 2025**

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2026	\$ 120,000			
2027	125,000			
2028	125,000			
2029	125,000			
2030	130,000			
2031	135,000			
2032	140,000***			
2033	145,000***			
2034	155,000***			
2035	160,000***			
2036	165,000***			
2037	175,000***			
2038	180,000***			
2039	185,000***			
2040	195,000***			
2041	200,000***			
2042	210,000***			
2043	215,000***			
2044	225,000***			
2045	230,000***			

*Preliminary, subject to change.

**Amounts are subject to adjustment by the Village following the sale, pursuant to the terms of the Notice of Private Competitive Bond Sale relating to the Bonds, to achieve substantial level or declining annual debt service as provided in Section 21.00 of the Local Finance Law.

***Subject to redemption prior to maturity.



**VILLAGE OF PATCHOGUE
SUFFOLK COUNTY, NEW YORK**

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PO Box 719
Patchogue, New York 11772
Telephone: (631) 475-4300
Fax: (631) 475-4314

BOARD OF TRUSTEES

Paul V. Pontieri, Jr., Mayor

Kevin Weeks
Lizbeth Carrillo
Thomas Ferb
Susan Brinkman
Joseph Keyes
John A. Krieger

Lori Devlin, Village Clerk
Ronald M. Krawczyk, Village Treasurer
Joanne Ruggiero, Deputy Treasurer

Attorney for the Village
Brian Egan

* * *

BOND COUNSEL



Orrick, Herrington & Sutcliffe LLP
New York, New York

* * *

MUNICIPAL ADVISOR



12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: <https://www.munistat.com>

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the Village. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Village from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date hereof.

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OFFICIAL STATEMENT

\$3,340,000

VILLAGE OF PATCHOGUE SUFFOLK COUNTY, NEW YORK

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2025

This Official Statement and the appendices hereto present certain information relating to the Village of Patchogue, in the County of Suffolk, in the State of New York (the "Village," "County" and "State," respectively) in connection with the sale of \$3,340,000 Public Improvement (Serial) Bonds, 2025 (the "Bonds") of the Village.

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the Village contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS

Description of the Bonds

The Bonds will be dated March 19, 2025, and will mature on March 15, in each of the years 2026 to 2045, inclusive, in the principal amounts as set forth on the inside cover page hereof.

At the option of the purchaser, the Bonds may be either issued in registered certificated form in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. Individual purchases of the Bonds may be made in denominations of \$5,000 or integral multiples thereof. For Bonds issued as book-entry bonds through DTC, Bondholders will not receive certificates representing their respective interests in the Bonds purchased. See "Book-entry-only System" under "The Bonds," herein.

Interest on the Bonds will be payable semi-annually on March 15 and September 15 in each year to maturity, commencing on September 15, 2025. For Bonds issued as book-entry bonds through DTC, principal and interest will be paid by the Village to DTC as the securities depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Village referred to therein.

The Record Date of the Bonds will be the last business day of the calendar month preceding each interest payment date.

The Village will act as Paying Agent for the Bonds. The Village's contact information is as follows: Joanne Ruggiero, Deputy Treasurer, Village of Patchogue, 14 Baker Street, Patchogue, New York 11772, Phone (631) 475-4300 and email: jruggiero@patchoguevillage.org. However, payment of the principal of and interest on any Bonds registered in the name of the Purchaser will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder, at the bidders expense.

Optional Redemption

The Bonds maturing on or before March 15, 2033 will not be subject to redemption prior to maturity. The Bonds maturing on March 15, 2034 and thereafter, will be subject to redemption, at the option of the Village, prior to maturity, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after March 15, 2033, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

If less than all of any of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Village by lot in any customary manner of selection as determined by the Village. Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

Book-entry-only System

DTC will act as Securities Depository for the Bonds, if the book-entry-only format is chosen by the successful bidder. The Bonds will be issued as fully-registered securities, in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued and deposited with DTC for each maturity of the Bonds.

DTC is limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village on the payable date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not

of DTC (nor its nominee) or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC), and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Source: The Depository Trust Company, New York, New York.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the Village takes no responsibility for the accuracy thereof.

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE VILLAGE CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

Continuing Disclosure Undertaking for the Bonds

At the time of delivery of the Bonds, the Village will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Village for the benefit of holders of and owners of beneficial interest in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board ("MSRB") established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking:

(1) (i) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement relating to the Bonds under the headings "Village of Patchogue", "Indebtedness of the Village", "Finances of the Village", "Tax Information", "Litigation" and all Appendices (other than Appendix C and any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending May 31, 2025, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending May 31, 2025 is attached; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Village of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Village of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Village; (xiii) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Issuer, any of which reflect financial difficulties.

Event (iii) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers, dated September 19, 1995. However, event (iii) is not applicable, since no “debt service reserves” will be established for the Bonds.

With respect to event (iv) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

With respect to events (xv) and (xvi), the term “financial obligation” means a (i) debt obligation (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The Village may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds; but the Village does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide the annual financial information by the date specified.

The Village’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provisions, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Village, and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Village to comply with the Undertaking will not constitute a default with respect to the Bonds.

The Village reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued and a successor depository is not obtained, the following provisions will apply: The Bonds will be issued in registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the Village as the fiscal agent. Certificated Bonds may be transferred or exchanged at no cost to the owner of such Bonds at any time prior to maturity at the corporate trust office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the bond determinations certificate of the Village Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the New York State Local Finance Law.

Authorization and Purpose for the Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, and certain bond resolutions duly adopted by the Village Board of Trustees as described below, authorizing the issuance of serial bonds for certain capital projects in and for the Village.

Such projects, and the allocated principal amount of Bonds to be issued is as follows:

Date of Authorization	Purpose	Total Amount to be Issued
01/13/2025	Installation of Solar Carport at Railroad Station	\$ 2,200,000
01/13/2025	Improvements to Ballfield	1,140,000
Totals:		\$3,340,000

Nature of Obligation

The Bonds when duly issued and paid for will constitute a contract between the Village and the holder thereof.

Holders of any series of notes or bonds of the Village may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village, subject to applicable statutory limitations. See “Tax Levy Limitation Laws”, herein.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Village’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “Tax Levy Limitation Law,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders and noteholders are constitutionally protected against an attempt by the State to deprive the village of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the village to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo). It also applies to independent special districts and to improvements districts as part of their parent municipalities tax levies.

The Tax Levy Limitations Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It was set to expire on June 15, 2020 but has been permanently extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special

districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Each municipality, prior to adoption of each fiscal year budget, must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59"), included provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts were eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government were eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any villages with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreement and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. The program applied starting in the year 2016 and was fully phased in in 2019 and includes continued tax cap compliance.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision

The Bonds when duly issued and paid for will constitute a contract between the Village and the holder thereof. Under current law, provision is made for contract creditors of the Village to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

Execution/Attachment of Municipal Property

As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Village may not be enforced by levy and execution against property owned by the Village.

Authority to File for Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns or villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds should the Village be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the Village could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Village (to payment from monies retained in any debt service fund or from other cash resources) would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Village of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature, as described below, authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Village.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon

circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Village is presently not working with the FRB, nor does it reasonably anticipate the need to do so. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation

In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders and noteholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

No Past Due Debt

No principal of or interest on Village indebtedness is past due. To the best knowledge of current officials, the Village has never defaulted in the payment of the principal of and interest on any indebtedness.

VILLAGE OF PATCHOGUE

The Village of Patchogue, incorporated in 1893, has a land area of approximately 2.3 square miles and a population of 12,343 (2023 US Census). It is located in the Town of Brookhaven, Suffolk County, about 60 miles east of New York City, on the south shore of Long Island. The southern boundary of the Village is the Great South Bay which provides recreational facilities including swimming, boating and fishing. There is ferry service from the Village which provides access to the eastern end of Fire Island.

The Village has an extensive shopping district along Main Street, with ample street parking and large parking lots. The Patchogue Theater provides one of the focal points of this commercial district as part of the Main Street revival first envisioned in the late 1980's. The active business and shopping district provides employment opportunities to residents and attracts shoppers from neighboring communities

The Village provides public safety, culture and recreation, and sanitary sewer service for its residents, and maintains its local streets. Police protection is provided by the Suffolk County Police Department and water is provided by the Suffolk County Water Authority. Electricity and natural gas are provided by PSEG Long Island. Fire protection is provided by the Patchogue Fire District.

The Village is basically residential in character; many residences are single family homes and there are several apartment complexes in the Village. The Patchogue-Medford Union Free School District provides educational facilities for the Village and surrounding areas.

New York State Route 27 A (Montauk Highway) and Sunrise Highway traverse the Village, giving easy access to the Southern State Parkway and the Long Island Expressway. The Long Island Railroad provides rail passenger service to New York City. Major airline service is available at Long Island MacArthur Airport in Islip, approximately 18 miles away.

The Patchogue Theater For The Performing Arts

The Theater first opened as a vaudeville house in 1923 and became a movie theater in the late 1920's as vaudeville faded as public entertainment. The movie theater closed in the late 1980's, a victim of competition from the mall theaters and multiplexes. In 1997, the Village Board bought the theater and applied for grants for the renovation and restoration of the building. These projects included bringing in the electrical service needed to run modern lights and other equipment, and reinforcing the stage to allow it to support up to 17 tons of scenery, audio and lighting equipment. 1,250 seats were obtained from the Imperial Theater on Broadway. In the winter of 1998, the theater opened with "Nutcracker on Ice", produced by the Gateway Theater in Bellport.

Renovations continued in 1999 with the restoration of the auditorium; plaster walls were repaired, tapestry wall fabric installed and an antique chandelier was obtained from California. The seats were repaired, repainted and recovered.

A 5,000 square foot addition was built to accommodate extended wing space for scenery and dressing rooms. In early 2001, the plaster and ceiling were painted and gilded and the chandelier was hung. Backstage renovations continue with plans for more dressing rooms, a new sound system, and a new air conditioning and heating system.

The Gateway Theater negotiated a five-year lease with the Village, the term of which began October 1, 2001, to produce at least 34 days of performance per year. The Village expects to bring in other performances as well. Activity at the Theater creates a lively downtown in the evenings, as well as expanded cultural opportunities for the region.

Government

The Village was incorporated in 1893. One independently governed school district, which relies on its own taxing powers granted by the State to raise revenues is located partially within the Village. The school district uses the Town of Brookhaven assessment roll as its basis for taxation of property located within the Village.

Subject to the provisions of the State Constitution, the Village operates pursuant to the Village Law, the Local Finance Law, other laws generally applicable to the Village, and any special laws generally applicable to the Village. Under such laws, there is no authority for the Village to have a charter, but pursuant to the Village Law and other laws generally applicable to home rule, the Village may from time to time adopt local laws.

The legislative power of the Village is vested in the Board of Trustees, which consists of seven members, including the Mayor, who is the chief executive officer of the Village, each elected for a term of four years. Elections are held every two years. There is one elected Village Justice who serves a four year term and one Assistant Village Justice who is appointed each year. The Village Clerk, Village Treasurer, Village Attorney, Village Assessor and other department heads are appointed by the Mayor with consent of the Board. All the Board members are elected at large and there is no limitation to the number of terms each may serve.

Employees

The Village provides services through approximately 61 full-time employees and 83 part-time employees. Some of the employees are represented as follows:

Name of Union	Approximate Membership	Date Contract Expires
Local 342 LI Public Service Employees	48	5/31/2027
CSEA	20	5/31/2029

DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables present certain comparative demographic and statistical information regarding the Village, Town of Brookhaven and County of Suffolk.

Population

Year	Village	Town of Brookhaven	Suffolk County	State of New York
2000	11,919	448,248	1,419,369	18,976,457
2010	11,798	486,040	1,493,350	19,378,102
2020	12,389	482,671	1,481,364	20,201,249
2023	12,343	488,331	1,523,170	19,571,216

Sources: U.S. Bureau of the Census Population Reports.

Income Data

	Per Capita Money Income			
	2000	2010	2020	2023
Village of Patchogue	\$22,962	\$29,857	\$54,170	\$58,623
Town of Brookhaven	24,191	32,410	42,388	47,588
County of Suffolk	26,577	34,582	46,466	53,222
State of New York	23,389	30,948	40,898	48,847

	Median Household Income			
	2000	2010	2020	2023
Village of Patchogue	\$47,027	\$55,929	\$95,466	\$104,423
Town of Brookhaven	62,475	81,937	100,061	113,012
County of Suffolk	65,288	91,104	105,362	124,045
State of New York	51,591	55,217	71,117	82,095

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2019-2023)

Selected Listing of Larger Employers – in the Town of Brookhaven

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
State University at Stony Brook	Education	14,000
Stony Brook University Medical Center	Hospital	5,500
Brookhaven National Laboratory	Government	3,000
Sachem Central School District	Education	2,500
John T. Mather Hospital	Hospital	2,500
Brookhaven Memorial Hospital	Hospital	2,500
Eastern Suffolk BOCES	Education	2,000
Three Village Central School District	Education	1650
William Floyd Union Free School District	Education	1650
St. Charles Hospital	Hospital	1600

Unemployment Rate Statistics

Unemployment statistics are not available for the Village. The information set forth below with respect to the Town, County and the State is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the Village is necessarily representative of the Town, County or the State.

<u>Annual Averages:</u>	<u>Town of Brookhaven (%)</u>	<u>Suffolk County (%)</u>	<u>New York State (%)</u>
2019	3.7	3.7	4.0
2020	8.2	8.5	10.0
2021	5.3	5.4	7.8
2022	3.0	3.1	4.4
2023	3.1	3.2	4.2
2024 (YTD Average)	3.5	3.6	3.4

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE VILLAGE

Constitutional Requirements

The New York State Constitution limits the power of the Village (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the Village and the Bonds.

Purpose and Pledge. The Village shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Village may contract indebtedness only for a Village purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or the weighted average period of probable usefulness thereof; and no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Village has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The Village is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Village so as to prevent abuses in the exercise of such powers; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the Village's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. See "Tax Levy Limitation Law," herein.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Village to borrow and incur indebtedness subject, of course, to the constitutional and provisions set forth above. The power to spend money, however, generally derives from other law, including the Village Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness by the adoption of a bond ordinance approved by at least two-thirds of the members of the Village Board of Trustees, the finance board of the Village. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Village Board of Trustees.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except on rare occasions, the Village complies with this estoppel procedure. The Village is in compliance with such requirements with respect to the other bond ordinances authorizing the issuance of the Bonds.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds and notes subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, bonds issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such bonds were originally issued. See "Payment and Maturity" under "Constitutional Requirements".

In addition, under each bond resolution, the Village Board of Trustees may delegate, and has delegated, power to issue and sell bonds, to the Village Treasurer, the chief fiscal officer of the Village.

In general, the Local Finance Law contains similar provisions providing the Village with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limitation Law, imposes a statutory limitation on the power of the Village to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limitation Law. See "Nature of Obligation" and "Tax Levy Limitation Law," herein.

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of February 12, 2025)

<u>Fiscal Year</u> <u>Ending May 31:</u>	<u>Assessed</u> <u>Valuation</u>	<u>State Equal.</u> <u>Rate (%)</u>	<u>Full Valuation</u>
2021	\$53,416,520	4.41	\$1,211,258,957
2022	53,380,435	4.31	1,238,525,174
2023	53,560,975	4.17	1,284,435,851
2024	53,477,585	3.60	1,485,488,472
2025	53,647,198	3.16	<u>1,697,696,139</u>
Total Five Year Full Valuation			\$6,917,404,594
Average Five Year Full Valuation			1,383,480,919
Debt Limit - 7% of Average Full Valuation			96,843,664
Inclusions:			
General Purpose Bonds			3,275,000
Water Bonds			2,770,000
Bond Anticipation Notes			<u>0</u>
Total Inclusions			<u>6,045,000</u>
Exclusions:			
Excluded Water Debt			2,770,000
Appropriations			<u>0</u>
Total Exclusions			<u>2,770,000</u>
Total Net Indebtedness			<u>3,275,000^{ab}</u>
Net Debt Contracting Margin			<u><u>\$93,568,664^a</u></u>
Percent of Debt Contracting Margin Exhausted (%)			3.38 ^a

a. Does not include Energy Performance Contract Financing or Installment Purchase Obligation, which while not general obligation debt of the Village to count toward the debt limit. See “Energy Performance Contract Financing” and “Installment Purchase Obligation” herein.

b. The issuance of the Bonds will increase such net indebtedness by \$3,340,000.

Debt Service Requirements - Outstanding Bonds ^a

Fiscal Year Ending May 31:	Principal	Interest	Total
2025	\$520,000	\$188,408	\$708,408
2026	520,000	176,029	696,029
2027	475,000	163,715	638,715
2028	500,000	151,389	651,389
2029	505,000	137,950	642,950
2030	510,000	124,635	634,635
2031	540,000	110,596	650,596
2032	265,000	99,219	364,219
2033	270,000	90,918	360,918
2034	200,000	81,270	281,270
2035	200,000	73,850	273,850
2036	205,000	66,433	271,433
2037	210,000	58,807	268,807
2038	215,000	50,972	265,972
2039	220,000	42,758	262,758
2040	220,000	34,332	254,332
2041	225,000	25,904	250,904
2042	230,000	17,264	247,264
2043	45,000	8,409	53,409
2044	45,000	7,453	52,453
2045	45,000	6,497	51,497
2046	45,000	5,541	50,541
2047	45,000	4,556	49,556
2048	45,000	3,544	48,544
2049	45,000	2,531	47,531
2050	45,000	1,519	46,519
2051	45,000	506	45,506
Totals:	<u>\$6,435,000</u>	<u>\$1,735,005</u>	<u>\$8,170,005</u>

a. Does not reflect payments made to date.

Energy Performance Contract Financing

Fiscal Year Ending May 31:	Principal	Interest	Total
2025	\$ 222,745	\$ 108,599	\$ 331,344
2026	227,785	103,559	331,344
2027	232,939	98,405	331,344
2028	238,210	93,134	331,344
2029-2033	1,274,377	382,344	1,656,721
2034-2038	1,425,224	231,496	1,656,720
2039-2042	1,260,718	64,657	1,325,375
Totals:	<u>\$4,881,998</u>	<u>\$1,082,194</u>	<u>\$5,964,192</u>

Installment Purchase Obligations

The following is a summary of debt service requirements for installment purchase obligations.

Fiscal Year Ending May 31:	Principal	Interest	Total
2025	\$178,388	\$31,668	\$210,056
2026	186,762	23,294	210,056
2027	195,547	14,509	210,056
2028	109,406	5,294	114,700
Totals:	<u>\$670,103</u>	<u>\$74,765</u>	<u>\$744,868</u>

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the Village has no short-term debt outstanding.

Authorized But Unissued Indebtedness

As of the date of this Official Statement, the Village has authorized but unissued debt in the amount of \$4,540,000.

Capital Project Plans

The Village is generally responsible for providing services as required to the citizens on a Village-wide basis. The Village maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system and repairs to such facilities requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the Village owns, operates and maintains certain public works facilities that house the Village's Public Works equipment, vehicles and machinery and provide space for maintenance and repair work for such equipment, vehicles and machinery. Improvements, maintenance and repairs to such facilities are authorized to be funded from time to time as the Board deems necessary. The Village expects to continue to finance projects in similar amounts that have prevailed in the past.

Trend of Outstanding Debt

	Fiscal Year Ending May 31:				
	2020	2021	2022	2023	2024
Bonds	\$7,775,000	\$8,175,000	\$7,465,000	\$6,950,000	\$6,435,000
BAN's	0	0	0	0	0
Other Debt	-	5,221,168	5,495,618	5,647,128	5,552,101
Total Debt Outstanding	<u>\$7,775,000</u>	<u>\$13,396,168</u>	<u>\$12,960,618</u>	<u>\$12,597,128</u>	<u>\$11,987,101</u>

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Suffolk	05/31/2024	0.48	\$ 5,910,387	\$ 4,986,920
Town of Brookhaven	08/14/2024	2.31	10,764,369	10,467,534
Patchogue-Medford UFSD	08/19/2024	22.01	6,509,457	3,319,823
Totals:			<u>\$23,184,213</u>	<u>\$18,774,277</u>

Debt Ratios
(As of February 12, 2025)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage of Full Value (%)^b</u>
Total Direct Debt	\$ 6,045,000	\$ 490	0.356
Net Direct Debt	3,275,000	265	0.193
Total Direct & Applicable Total Overlapping Debt	29,229,213	2,368	1.722
Net Direct & Applicable Net Overlapping Debt	22,049,277	1,786	1.299

a. The current estimated population of the village is 12,343.

b. The full valuation of taxable real property in the Village for 2024-25 is \$1,697,696,139.

FINANCES OF THE VILLAGE

Independent Audit Procedures

The Village maintains its financial records in accordance with the Uniform System of Accounts for Villages prescribed by the State Comptroller. The financial affairs of the Village are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Village has complied with the requirements of various State and Federal statutes. The Village also prepares an audited financial report on an annual basis. The last such report made available for public inspection covers the fiscal year ended May 31, 2024, which is attached as Appendix B. A summary of the operating results for the past five fiscal years is attached as Appendix A hereto.

Fund Structure and Accounts

The Village utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and, (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Village presently maintains the following governmental funds: General Fund, Special Revenue Funds, and the Capital Projects Fund. Fiduciary funds consist of a Trust and Agency Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The Village's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues which are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting, that is when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the General Long-Term Debt Account Group and recognized as an expenditure when due, and, (2) unmatured interest on general long-term debt which is recognized when due.

Investment Policy

The Village has adopted an investment policy which is summarized as follows:

The primary objectives of the local government's investment activities are, in priority order

- to conform with all applicable federal, state and other legal requirements (legal);
- to adequately safeguard principal (safety);
- to provide sufficient liquidity to meet all operating requirements (liquidity); and
- to obtain a reasonable rate of return (yield).

The governing board's responsibility for administration of the investment program is delegated to the Village Treasurer who has established written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information such procedures also regulate the activities of subordinate employees. Certain aspects of such procedures are summarized as follows:

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Village to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

It is the policy of the Village to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

It is the policy of the Village for all moneys collected by an officer or employee of the government to transfer those funds to the Village Treasurer within the time period specified by law.

The Village Treasurer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly and are managed in compliance with applicable laws and regulations.

The banks and trust companies authorized for the deposit of monies are as follows: Capital One Bank; The Bank of New York; and Bridgehampton National Bank.

In accordance with the provisions of General Municipal Law, §10, all deposits of the Village, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

By a pledge of "eligible securities" with an aggregate "market value" as provided by GML §10, equal to the aggregate amount of deposits.

Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Village, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Village or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Village, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Village a perfected interest in the securities.

As authorized by General Municipal Law, §11, the Village authorizes the Village Treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;

- Obligations issued pursuant to Local Finance Law §24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Village of Greenport;
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or the specific enabling legislation authorizes such investments.

All investment obligations shall be payable or redeemable at the option of the Village within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Village within two years of the date of purchase.

The Village shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the Village conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Village of Greenport. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Village Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

Financial Operations

The Village Treasurer functions as the chief fiscal officer as provided in Section 2.00 of the Local Finance Law; in this role, the Village Treasurer is responsible for the Village's accounting and financial reporting activities. In addition, the Mayor is also the Village's budget officer and prepares the annual tentative budget for submission to the Board of Trustees. Budgetary control during the year is the responsibility of the Village Treasurer. Pursuant to Section 30.00 of the Local Finance Law, the Village Treasurer has been authorized to issue or renew certain specific types of notes. As required by law, the Village Treasurer must execute an authorizing certificate which then becomes a matter of public record.

The Board of Trustees, as a whole, serves as the finance board of the Village and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

Village finances are operated primarily through the General Fund. All real property taxes and most of the other Village revenues are credited to this fund. Current operating expenditures are paid from this fund subject to available appropriations. Capital projects and selected equipment purchases are accounted for in special capital projects funds. The Village observes a June 1- May 31 fiscal year for operating and reporting purposes.

Revenues

The Village receives most of its revenues from a real property tax on all non-exempt real property situated within the Village. Other Tax Items, Intergovernmental Charges, Departmental Income and Use of Money and Property. A summary of such revenues for the five most recently completed fiscal years and estimated revenues for the current fiscal year may be found in Appendix A. (See also "*Tax Levy Limit Law*" herein).

Real Property Taxes

See "*Tax Information*", herein.

State Aid

Based on the unaudited financial reports of the Village, the Village received approximately 1.75% of its total General Fund operating revenue from State aid in 2024. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and has the ability to reduce funding to municipalities and school districts in order to balance its own budget.

If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in this year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

Should the Village fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies, the Village is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

The following table sets forth the percentage of the Village’s General Fund revenue comprised of State aid for each of the fiscal years 2020 through 2024 and as budgeted, for 2025.

Fiscal Year Ending May 31:	Total Revenue	State Aid	State Aid To Revenues (%)
2020	\$13,182,584	\$276,465	2.10
2021	12,996,855	264,999	2.04
2022	14,183,920	403,617	2.85
2023	15,321,863	303,011	1.98
2024	15,133,194	264,470	1.75
2025 (Budgeted)	15,887,215	270,000	1.70

Source: Audited Financial Statements (2020-2024), and Adopted Budgets of the Village (2025).

Note: Table itself is not audited.

Federal Policy Risk – In General. Federal policies on trade, immigration, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in reductions to the State’s level of federal funding for a variety of social services, health care, public safety, transportation, public health, and other federally funded programs. There can be no prediction of future changes in federal policy or the potential impact on any related federal funding that the State may or may not receive in the future,

Expenditures

The major categories of expenditure for the Village are General Government Support, Public Safety, Culture and Recreation, Home & Community Services and Employee Benefits. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the current fiscal year may be found in Appendix A.

Employee Pension System

Substantially all employees of the Village are members of the New York State and Local Employees’ Retirement System (the “Retirement System” or “ERS”) or the New York State and Local Police and Fire Retirement System (PFRS). The Retirement Systems are a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement Systems Law generally provides that all participating employers in the Retirement Systems are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. Generally, all members hired on or after July 27, 1976 through and including December 31, 2009 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement Systems, at such time contributions become voluntary. On December 10, 2009, the Governor signed into law the creation of a new Tier 5, which is effective for ERS employees hired after January 1, 2010 through March 31, 2012. Tier 5 contribute 3% of their salaries and there is no provision for these contributions to cease for Tier 5 employees after a certain period of service. Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for ERS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after five years of employment and will continue to make employee contributions throughout employment.

As a result of significant capital market declines in the recent past, in certain years the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State’s Retirement System in future years may be higher than the minimum contribution rate established under applicable law.

Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, it will require higher than normal contributions in later years. The Village has not found it necessary to amortize any payments to the retirement system.

Payments to the Retirement Systems

Fiscal Year Ending May 31:	ERS
2020	\$648,758
2021	721,264
2022	771,600
2023	520,010
2024	608,905
2025 (Budgeted)	639,350

Other Post-Employment Benefits

OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

The Village provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. Accounting rules now require governmental entities, such as the Village, to account for post-retirement health care benefits as its accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") described below requires such accounting.

GASB 45 requires municipalities and school districts to account for OPEB liabilities in the same manner as they already account for pension liabilities. It requires them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") is determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC. The Village presents its financial statements under a comprehensive statutory basis of accounting in accordance with principles prescribed by the Office of the State Comptroller ("OSC") of the State of New York.

The Village has not retained a firm to conduct the valuation.

The cost of retiree health care benefits is recognized as an expenditure as claims are paid.

Actuarial Valuation is required every two years for OPEB plans with more than two hundred members, or every three years if there are less than two hundred members. The Village has not retained a firm to conduct the valuation. Additional information about GASB 45 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

TAX INFORMATION

Real Property Taxes

The Village derives its power to levy an ad valorem real property tax from the Constitution of the State. The Village's power to levy real property taxes, other than for debt service and certain other purposes, is limited by the State Constitution to two percent of the five-year average full valuation of taxable property of the Village. (See "Tax Limit" herein.) The State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation or debt contracting and real property taxing limitations.

Tax Collection Procedure

Tax payments are due on June 1st each year and are payable without penalty up to and including July 1. Penalties for tax delinquencies are imposed at the rate of 5% for the balance of July and an additional percentage (which is set by the State each year and in recent years has approximated 1%) for each month or fraction thereof thereafter. In March of each year tax liens are sold at auction pursuant to proceedings set forth in the Real Property Tax Law. Consequently, there are usually no uncollected taxes at the end of the fiscal year.

The following table sets forth the percentage of the Village’s General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2020 through 2024 and budgeted for 2025.

Fiscal Year Ending May 31:	Total Revenue	Property Taxes	Property Taxes To Revenues (%)
2020	\$13,182,584	\$8,302,405	62.98
2021	12,996,855	8,537,835	65.69
2022	14,183,920	8,729,819	61.55
2023	15,321,863	8,962,712	58.50
2024	15,133,194	9,119,496	60.26
2025 (Budgeted)	15,887,215	9,317,167	58.65

Source: Audited Financial Statements (2020-2024), and Adopted Budgets of the Village (2025).

Note: Table itself is not audited.

Tax Limit

The Constitution limits the amount that may be raised by the Village ad valorem tax levy on real estate in any fiscal year to two per centum (2%) of the five-year average full valuation of taxable real estate of the Village plus (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes. The tax limit for the Village for the 2023-2024 fiscal year is as follows:

Five-year Average Full Valuation	\$1,264,852,180
Tax Limit - 2% thereof	25,297,044
Tax Levy for General Village Purposes	10,255,754
Less: Exclusions	<u>985,887</u>
Tax Levy Subject to Tax Limit	\$9,269,867
Constitutional Tax Margin	<u><u>\$16,027,177</u></u>

Tax Levies and Rates

	Fiscal Year Ending May 31:				
	2021	2022	2023	2024	2025
General	\$8,564,717	\$8,723,059	\$8,955,510	\$9,115,015	\$9,317,167
Sewer	\$1,722,746	\$1,773,462	\$1,869,192	\$1,961,191	\$2,096,782
Business Improvement District	\$165,400	\$164,000	\$164,696	\$165,002	\$165,302
Total	\$10,452,863	\$10,660,521	\$10,989,398	\$11,241,208	\$11,579,251
Taxes Rate per \$1,000 of Assessed Valuation	\$160.30	\$163.40	\$167.20	\$170.40	\$173.70

Selected Listing of Large Taxable Properties
2023-2024 Assessment Roll ^a

Name	Type	Assessed Valuation
Downtown Patchogue Redeveloper	Commercial	\$1,738,910
Heatherwood House At Patchogue	Apartments	1,170,360
Fairharbor Owners Inc	Apartments	876,500
Union Free School District #24 (237 S Ocean)	Commercial	858,630
Patchogue Legal 1031 Holdings	Commercial	848,000
Waters Edge Habitat	Apartments	832,820
Union Free School District #24 (114 Bay Ave)	Commercial	609,340
School District #24 (River Ave)	Commercial	524,220
Young Men’s Christian Association	Commercial	496,920
Fairfield On the Bay	Apartments	457,000
Downtown Patchogue Redeveloper	Commercial	369,518
Fairview Bayview LLC	Apartments	335,650
Patchogue Village Commons	Apartments	335,490
Keyspan Corp	Commercial	314,103
St Francis Church	Commercial	307,590
	Total ^b	<u>\$10,075,051</u>

a. Represents 18.76% of the total taxable assessed valuation for 2024-25.

LITIGATION

In common with other villages, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the Village, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Village has not asserted a substantial and adequate defense, nor which, if determined against the Village, would have an adverse material effect on the financial conditions of the Village.

Upon delivery of the Notes, the Village shall furnish a certificate of the Village, dated the date of delivery and payment for the Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to his knowledge to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the Village wherein an adverse judgment or ruling could adversely affect the power of the Village to levy, collect and enforce the collection of taxes or other revenues for the payment of the Notes.

CYBERSECURITY

The Village, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Village faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Village invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the Village as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Village's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Village to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds could be adversely affected.

The Village is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Village, in any year, the Village may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Village. In some years, the Village has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the Village to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Village. Unforeseen developments could also result in substantial increases in Village expenditures, thus placing strain on the Village's financial condition. These factors may have an effect on the market price of the Bonds.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bond and other debt issued by the Village. Any such future legislation would have an adverse effect on the market value of the Bonds (See "Tax Exemption" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Village and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Village and hence upon the market price of the Bonds. See "Tax Levy Limitation Law" herein.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity

of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Bonds and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Bonds will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Bonds if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Village has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Village, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Village has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Village or the owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt Bonds is difficult, obtaining an independent review of IRS positions with which the Village legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of Bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Village or the owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incidental to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially in the form attached hereto as Appendix C.

BOND RATING

The Village has applied to S&P Global Ratings ("S&P") 55 Water Street, New York, New York 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153, for a rating on the Bonds and such application is pending at this time. Such rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any downward revision or withdrawal of the rating assigned to the Bonds could have an adverse affect on the market price of the Bonds or the availability of a secondary market for such Bonds.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Village on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Village and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Village or the information set forth in this Official Statement or any other information available to the Village with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

OTHER MATTERS

The Village is in the process of complying with the procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance law.

There is no bond or note principal or interest past due.

The fiscal year of the Village is June 1 to May 31.

This Official Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the Village, except as expressed in the "Calculation of Estimated Overlapping and Underlying Indebtedness."

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Joanne Ruggiero, Deputy Treasurer, Village of Patchogue, 14 Baker Street, Patchogue, New York 11772, Phone (631) 475-4300 and email: jruggiero@patchoguevillage.org or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: <https://www.munistat.com>.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Village's management's beliefs as well as assumptions made by, and information currently available to, the Village's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Village's files with the repositories. When used in Village's documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Village nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Village disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the Village also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Orrick, Herrington & Sutcliffe LLP expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Bonds, including this Official Statement.

The preparation and distribution of this Official Statement have been approved by the Village Deputy Treasurer pursuant to the power delegated to her by the authorizing note resolutions to sell and deliver the Bonds.

This Official Statement has been duly executed and delivered by the Village Deputy Treasurer of the Village of Patchogue.

VILLAGE OF PATCHOGUE, SUFFOLK COUNTY, NEW YORK

By: s/s JOANNE RUGGIERO
Village Deputy Treasurer

February , 2025

VILLAGE OF PATCHOGUE, NEW YORK

APPENDIX A

FINANCIAL INFORMATION

**Balance Sheet
General Fund**

Fiscal Year Ending May 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assets:					
Cash	\$ 5,176,634	\$ 7,382,827	\$ 8,333,779	\$ 7,371,962	\$ 5,251,672
Receivables					
Tax Receivables	53	2,624	4,333	782	740
Tax sales certificates			2,624	53	53
Accounts Receivable	61,587	37,489	123,226	53,062	55,524
Mortgage Receivable	150,000	150,000	150,000	150,000	150,000
Due From Other Funds	1,924,284	417,041	6,307	2,420,381	1,834,046
Due From State and Federal Funds		36,803	10,007	10,007	
Due From Other Governments	56,781	72,458	85,658	50,361	41,532
Service Award Program	1,883,811	2,203,214	2,549,082	2,908,384	3,314,813
Total Assets	<u>\$ 9,253,150</u>	<u>\$ 10,302,456</u>	<u>\$ 11,265,016</u>	<u>\$ 12,964,992</u>	<u>\$ 10,648,380</u>
Liabilities:					
Payables					
Accounts Payable	\$ 233,656	\$ 206,724	\$ 209,136	\$ 158,473	\$ 174,732
Accrued Liabilities	217,050	207,609	303,946	279,713	113,575
Due to Employees' Retirement Systems	112,257	126,088	87,468	100,768	123,576
Other Deposits		184,776	42,053	76,543	82,378
Other Liabilities		41,260	49,975	31,924	47,591
Collections in advance	50	15,000	5,635	11,705	29,275
Total Liabilities	<u>563,013</u>	<u>781,457</u>	<u>698,213</u>	<u>659,126</u>	<u>571,127</u>
Deferred Inflows of Resources:					
Unavailable Revenue	<u>1,209,459</u>	<u>1,592,030</u>	<u>1,624,481</u>	<u>1,974,242</u>	<u>2,528,840</u>
Fund Balances:					
Nonspendable	150,000	150,000	150,000	150,000	150,000
Restricted	1,883,811	2,203,214	2,549,082	2,908,384	3,314,813
Assigned	1,261,528	1,267,040	1,512,011	1,892,963	718,236
Unassigned	<u>4,185,339</u>	<u>4,308,715</u>	<u>4,731,229</u>	<u>5,380,277</u>	<u>3,365,364</u>
Total Fund Balances	<u>7,480,678</u>	<u>7,928,969</u>	<u>8,942,322</u>	<u>10,331,624</u>	<u>7,548,413</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,253,150</u>	<u>\$ 10,302,456</u>	<u>\$ 11,265,016</u>	<u>\$ 12,964,992</u>	<u>\$ 10,648,380</u>

Sources: Audited Financial Statements (2020-2024).

NOTE: This Schedule is NOT audited.

Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund

Fiscal Year Ending May 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues:					
Real Property Taxes	\$ 8,302,406	\$ 8,537,835	\$ 8,729,819	\$ 8,962,712	\$ 9,119,496
Other Tax Items	199,146	98,094	143,256	198,187	234,377
Non-Property Taxes	468,789	460,286	473,759	478,698	433,353
Departmental Income	3,057,451	2,785,930	3,084,598	3,318,966	3,271,410
Use of Money and Property	258,728	129,463	310,451	348,663	436,897
Licenses & Permits	178,708	196,390	323,888	419,987	302,044
Fines & Forfeitures	501,760	314,448	575,950	837,736	924,379
Sale of Property & Compensation for Loss	15,838	70,615	89,290	386,678	32,512
Miscellaneous	6256	39,261	40,241	33,966	527
State Sources	276,465	331,676	403,617	303,011	264,470
Federal Sources		182,729	52,936	33,259	113,729
Total Revenues	<u>13,265,547</u>	<u>13,146,727</u>	<u>14,227,805</u>	<u>15,321,863</u>	<u>15,133,194</u>
Expenditures:					
General Government Support	2,522,295	2,304,365	2,809,210	2,997,449	2,909,558
Public Safety	2,189,837	2,143,568	2,229,977	2,451,006	2,463,865
Health	2,000	500	2,000	2,000	2,000
Transportation	1,478,688	1,469,969	1,559,976	1,487,155	2,081,797
Economic Opportunity and Development	4,425				4,993
Culture & Recreation	661,288	555,314	655,572	1,003,518	871,361
Home & Community Service	1,406,326	1,598,743	1,472,472	1,489,773	1,441,854
Employee Benefits	3,345,606	3,522,181	3,412,820	3,638,680	3,819,641
Debt Service - Principal	200,000			85,744	170,405
Debt Service - Interest	5,173			9,455	39,593
Total Expenditures	<u>11,815,638</u>	<u>11,594,640</u>	<u>12,142,027</u>	<u>13,164,780</u>	<u>13,805,067</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,449,909</u>	<u>1,552,087</u>	<u>2,085,778</u>	<u>2,157,083</u>	<u>1,328,127</u>
Other Financing Sources (Uses):					
Operating Transfers In					
Operating Transfers (Out)	<u>(937,793)</u>	<u>(1,103,796)</u>	<u>(1,072,425)</u>	<u>(767,781)</u>	<u>(4,111,338)</u>
Total Other Financing Sources (Uses)	<u>(937,793)</u>	<u>(1,103,796)</u>	<u>(1,072,425)</u>	<u>(767,781)</u>	<u>(4,111,338)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	<u>512,116</u>	<u>448,291</u>	<u>1,013,353</u>	<u>1,389,302</u>	<u>(2,783,211)</u>
Fund Balance - Beginning of Year	<u>6,968,562</u>	<u>7,480,678</u>	<u>7,928,969</u>	<u>8,942,322</u>	<u>10,331,624</u>
Adjustments	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Fund Balances - End of Year	<u>\$ 7,480,678</u>	<u>\$ 7,928,969</u>	<u>\$ 8,942,322</u>	<u>\$ 10,331,624</u>	<u>\$ 7,548,413</u>

Sources: Audited Financial Statements (2020-2024).

NOTE: This Schedule is NOT audited.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Sewer Fund**

Fiscal Year Ending May 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues:					
Real Property Taxes	\$	\$	\$	\$	\$
Other Real Property Tax Items	1,559,131	1,570,808	1,557,577	1,683,798	1,789,773
Departmental Income	352,216	381,588	577,195	431,929	417,369
Use of Money and Property	31,743	13,317	3,527	38,769	116,363
Licenses and Permits	69,607	130,960	233,150	208,734	188,660
Miscellaneous	80,018		10	83,749	7,064
State Aid	18,099	18,099	18,099	18,099	18,099
Total Revenues	<u>2,110,814</u>	<u>2,114,772</u>	<u>2,389,558</u>	<u>2,465,078</u>	<u>2,537,328</u>
Expenditures:					
General Government Support	246,507	252,093	254,587	290,221	406,394
Transportation		128,140			6,763
Home and Community Services	969,112	1,135,497	1,390,848	1,317,610	1,571,289
Employee Benefits	255,621	341,092	273,495	278,672	319,306
Total Expenditures	<u>1,471,240</u>	<u>1,856,822</u>	<u>1,918,930</u>	<u>1,886,503</u>	<u>2,303,752</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>639,574</u>	<u>257,950</u>	<u>470,628</u>	<u>578,575</u>	<u>233,576</u>
Operating Transfers In					
Operating Transfers (Out)	<u>(735,408)</u>	<u>(1,531,585)</u>	<u>(273,285)</u>	<u>(350,153)</u>	<u>(262,684)</u>
Total Other Financing Sources and (Uses)	<u>(735,408)</u>	<u>(1,531,585)</u>	<u>(273,285)</u>	<u>(350,153)</u>	<u>(262,684)</u>
Fund Balance - Beginning of Year	<u>2,610,446</u>	<u>2,514,612</u>	<u>1,240,977</u>	<u>1,438,320</u>	<u>1,666,742</u>
Adjustments					
Fund Balance - End of Year	<u>\$ 2,514,612</u>	<u>\$ 1,240,977</u>	<u>\$ 1,438,320</u>	<u>\$ 1,666,742</u>	<u>\$ 1,637,634</u>

Sources: Audited Financial Statements (2020-2024).

NOTE: This Schedule is NOT audited.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Business Improvement District Fund**

	Fiscal Year Ending May 31:				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues:					
Real Property Taxes	\$ 164,881	\$ 164,059	\$ 164,182	\$ 164,665	\$ 164,879
Departmental Income	3,795	332			800
Use of Money and Property	995	495	197	1,463	3,089
State Aid	4,305				
Total Operating Revenues	<u>173,976</u>	<u>164,886</u>	<u>164,379</u>	<u>166,128</u>	<u>168,768</u>
Expenditures:					
General Government Support	4,000	4,000	4,000	4,000	4,000
Public Safety	100,633	80,906	82,582	83,537	82,846
Culture and Recreation	380				
Economic Assistance and Opportunity	57,212	76,676	66,852	56,477	91,244
Employee Benefits	6,542	6,189	6,317	6,461	6,384
Debt Service	969,182	1,064,698	892,754	1,000,651	979,690
Total Operating Expenditures	<u>1,137,949</u>	<u>1,232,469</u>	<u>1,052,505</u>	<u>1,151,126</u>	<u>1,164,164</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(963,973)</u>	<u>(1,067,583)</u>	<u>(888,126)</u>	<u>(984,998)</u>	<u>(995,396)</u>
Operating Transfers In	969,182	1,064,698	892,754	1,000,651	979,690
Operating Transfers (Out)					
Total Other Financing Sources and (Uses)	<u>969,182</u>	<u>1,064,698</u>	<u>892,754</u>	<u>1,000,651</u>	<u>979,690</u>
Fund Balance - Beginning of Year	<u>32,892</u>	<u>38,101</u>	<u>35,216</u>	<u>39,844</u>	<u>55,497</u>
Prior Period Adjustments					
Fund Balance - Beginning of Year, Restated	<u>32,892</u>	<u>38,101</u>	<u>35,216</u>	<u>39,844</u>	<u>55,497</u>
Fund Balance - End of Year	<u>\$ 38,101</u>	<u>\$ 35,216</u>	<u>\$ 39,844</u>	<u>\$ 55,497</u>	<u>\$ 39,791</u>

Sources: Audited Financial Statements (2020-2024).

NOTE: This Schedule is NOT audited.

Budget Summaries

Fiscal Year Ending May 31, 2025

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Business Improvement District</u>
Revenues:			
Real Property Taxes	\$ 9,317,167	\$ 2,096,782	\$ 165,302
Other Real Property Tax Items	260,950	253,958	
Non-Property Tax Items	442,000		
Departmental Income	3,182,298		
Use of Money and Property	269,000	170,978	
Licenses and Permits	805,800	30,000	
Fines and Forfeitures	833,000		
Sale of Property and Compensation for Loss	7,000		
State Aid	270,000	18,099	
Appropriated Fund Balance	<u>500,000</u>		
 Total Revenues	 <u>\$ 15,887,215</u>	 <u>\$ 2,569,817</u>	 <u>\$ 165,302</u>
Expenditures:			
General Government Support	\$ 3,408,647	\$ 349,079	\$ 4,000
Public Safety	2,661,467		154,450
Health	2,000		
Transportation	1,629,529		
Economic Opportunity & Development			
Culture & Recreation	1,021,426		
Home & Community Service	1,768,285	1,606,387	
Employee Benefits	4,396,626	338,547	6,852
Debt Service	<u>999,235</u>	<u>275,804</u>	
 Total Expenditures	 <u>\$ 15,887,215</u>	 <u>\$ 2,569,817</u>	 <u>\$ 165,302</u>

Source: Adopted Budget of the Village.

Budget Summaries

Fiscal Year Ending May 31, 2024

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Business Improvement District</u>
Revenues:			
Real Property Taxes	\$ 9,115,015	\$ 1,961,191	\$ 165,002
Other Real Property Tax Items	226,565	6,000	
Non-Property Tax Items	446,500		
Departmental Income	3,060,359	235,000	
Use of Money and Property	213,000	152,093	
Licenses and Permits	356,400	30,000	
Fines and Forfeitures	808,000		
Sale of Property and Compensation for Loss	6,500		
State Aid	290,000		
Appropriated Fund Balance	<u>500,000</u>	<u>18,099</u>	
 Total Revenues	 <u>\$ 15,022,339</u>	 <u>\$ 2,402,383</u>	 <u>\$ 165,002</u>
Expenditures:			
General Government Support	\$ 3,391,784	\$ 305,479	\$ 92,279
Public Safety	2,563,589		65,973
Health	2,000		
Transportation	1,688,539		
Economic Opportunity & Development			
Culture & Recreation	835,284		
Home & Community Service	1,593,177	1,496,358	
Employee Benefits	4,078,008	326,767	6,750
Debt Service	<u>869,958</u>	<u>273,779</u>	
 Total Expenditures	 <u>\$ 15,022,339</u>	 <u>\$ 2,402,383</u>	 <u>\$ 165,002</u>

Source: Adopted Budget of the Village.

VILLAGE OF PATCHOGUE

APPENDIX B

**ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2024**

[▶ Click Here For 2024 Audit](#)

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT.

APPENDIX C

FORM OF BOND COUNSEL OPINION

FORM OF BOND COUNSEL’S OPINION

March 19, 2025

Village of Patchogue, Suffolk County
State of New York

Re: Village of Patchogue, New York
\$3,340,000 Public Improvement (Serial) Bonds, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$3,340,000 Public Improvement (Serial) Bonds, 2025 (the "Obligation"), of the Village of Patchogue, Suffolk County, in the State of New York (the "Obligor"), dated March 19, 2025, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of _____ per centum (_____%) per annum as to bonds maturing in the following amounts: \$ _____ on March 15, 2026, \$ _____ on March 15, 2027, \$ _____ on March 15, 2028, \$ _____ on March 15, 2029, \$ _____ on March 15, 2030, \$ _____ on March 15, 2031, \$ _____ on March 15, 2032, \$ _____ on March 15, 2033, \$ _____ on March 15, 2034, \$ _____ on March 15, 2035, \$ _____ on March 15, 2036, \$ _____ on March 15, 2037, \$ _____ on March 15, 2038, \$ _____ on March 15, 2039, \$ _____ on March 15, 2040, \$ _____ on March 15, 2041, \$ _____ on March 15, 2042, \$ _____ on March 15, 2043, \$ _____ on March 15, 2044, \$ _____ on March 15, 2045, with interest thereon payable semi-annually on March 15 and September 15 in each year to maturity, commencing on September 15, 2025.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

March 19, 2025

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(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax on individuals. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ Orrick, Herrington & Sutcliffe LLP